

Senate File 2382 - Reprinted

SENATE FILE 2382

BY COMMITTEE ON WAYS AND MEANS

(SUCCESSOR TO SF 2103)

(As Amended and Passed by the Senate March 22, 2010)

A BILL FOR

1 An Act relating to fuel, including standards for biodiesel
2 blended fuel, and excise taxes imposed upon special fuel,
3 including biodiesel fuel and diesel fuel used in the
4 production of biodiesel blended fuel.

5 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. Section 214A.2, subsection 4, paragraph b,
2 Code Supplement 2009, is amended by adding the following new
3 subparagraph:

4 NEW SUBPARAGRAPH. (4) Biodiesel blended fuel designated as
5 from B-6 through B-20 must conform to A.S.T.M. international
6 specification D7467 or a successor A.S.T.M. international
7 specification as established by rules adopted by the
8 department.

9 Sec. 2. Section 452A.2, Code 2009, is amended by adding the
10 following new subsections:

11 NEW SUBSECTION. 3A. "*Biodiesel producer*" means a person who
12 produces at least one hundred thousand gallons of biodiesel on
13 a calendar year basis from a production facility and which is
14 required to be licensed pursuant to this division.

15 NEW SUBSECTION. 9A. "*Diesel fuel*" means the same as defined
16 in section 214A.1.

17 Sec. 3. Section 452A.2, subsection 29, Code 2009, is amended
18 to read as follows:

19 29. "*Nonterminal storage facility*" means a facility where
20 motor fuel or special fuel, other than liquefied petroleum
21 gas, is stored that is not supplied by a pipeline or a marine
22 vessel. "*Nonterminal storage facility*" includes a facility that
23 manufactures products such as ~~ethanol as defined in section~~
24 ~~214A.1~~, biofuel, blend stocks, or additives which may be used
25 as motor fuel or special fuel, other than liquefied petroleum
26 gas, for operating motor vehicles or aircraft.

27 Sec. 4. Section 452A.3, subsection 3, Code Supplement 2009,
28 is amended to read as follows:

29 3. a. For the privilege of operating motor vehicles or
30 aircraft in this state, there is imposed an excise tax on the
31 use of special fuel in a motor vehicle or aircraft.

32 (1) The tax rate on special fuel for diesel engines of motor
33 vehicles is twenty-two and one-half cents per gallon. The tax
34 rate on biodiesel fuel for diesel engines of motor vehicles
35 shall be determined on a gross volume basis by all persons

1 except a biodiesel producer. A biodiesel producer shall remit
2 the tax on a volume basis with the gross metered gallons
3 adjusted to sixty degrees Fahrenheit.

4 (2) The rate of tax on special fuel for aircraft is three
5 cents per gallon.

6 (3) On all other special fuel, unless otherwise specified in
7 this section, the per gallon rate is the same as the motor fuel
8 tax.

9 b. Indelible dye meeting United States environmental
10 protection agency and internal revenue service regulations
11 must be added to special fuel before or upon withdrawal at a
12 terminal or refinery rack for that special fuel to be exempt
13 from tax and the dyed special fuel may be used only for an
14 exempt purpose.

15 Sec. 5. Section 452A.17, subsection 1, paragraph a, Code
16 Supplement 2009, is amended by adding the following new
17 subparagraph:

18 NEW SUBPARAGRAPH. (11) Diesel fuel used by a nonterminal
19 storage facility to blend with biodiesel to produce biodiesel
20 blended fuel, if the biodiesel blended fuel is distributed
21 to a blender licensed pursuant to section 452A.6 who is also
22 required to pay the excise tax on that same diesel fuel.

23 Sec. 6. Section 452A.86, Code 2009, is amended to read as
24 follows:

25 **452A.86 Method of determining gallonage.**

26 1. The exclusive method of determining gallonage of
27 any purchases or sales of motor fuel, undyed special fuel,
28 compressed natural gas, or liquefied petroleum gas as defined
29 in this chapter and distillate fuels shall be on a gross volume
30 basis. A temperature-adjusted or other method shall not be
31 used, except as it applies to biodiesel sold at a production
32 facility operated by a biodiesel producer, liquefied petroleum
33 gas ~~and,~~ or the sale or exchange of petroleum products between
34 petroleum refiners. All invoices, bills of lading, or other
35 records of sale or purchase and all returns or records required

1 to be made, kept, and maintained by a supplier, restrictive
2 supplier, importer, exporter, blender, or compressed natural
3 gas or liquefied petroleum gas dealer or user shall be made,
4 kept, and maintained on the gross volume basis.

5 2. For purposes of this section, "*distillate fuels*" means
6 any fuel oil, gas oil, topped crude oil, or other petroleum
7 oils derived by refining or processing crude oil or unfinished
8 oils which have a boiling range at atmospheric pressure which
9 falls completely or in part between five hundred fifty and
10 twelve hundred degrees Fahrenheit.